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Joseph DiBella  
Regulatory Counsel

ORIGINAL



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August 31, 1998

Kathryn C. Brown  
Chief, Common Carrier Bureau  
Federal Communications Commission  
1919 M Street, N.W.  
Room 500  
Washington, DC 20554

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AUG 31 1998

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Re: Tariffs Implementing Access Charge Reform, CC Docket No. 97-250

Dear Ms. Brown;

The Bell Atlantic telephone companies hereby file their refund plan in response to the Commission's June 1, 1998 order in this proceeding.

In that order, the Commission concluded that Bell Atlantic had incorrectly determined the amount of its base factor portion costs, and directed it to make refunds to correct for the effect that this understatement had on carrier common line charges from January 1, 1998 to June 30, 1998. *See Tariffs Implementing Access Charge Reform*, CC Docket No. 97-250, Memorandum Opinion and Order, FCC 98-106 (rel. Jun. 1, 1998), ¶¶ 51, 59-65, 181, 189; *errata* (rel. Jun. 10, 1998), ¶¶ 6, 7. The Commission ordered Bell Atlantic to file a refund plan within 90 days, and it delegated authority to the Common Carrier Bureau to review and approve the plan. *Id.*, ¶ 177.

The attachment describes Bell Atlantic's plan for making refunds to customers who paid carrier common line charges during the period in question. If the bureau does not disapprove the plan, Bell Atlantic will implement the refunds in the October billing cycle.

If you have any questions, please call me at 703-974-6350.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph DiBella".  
Joseph DiBella

cc: Ms. Magalie Roman Salas  
ITS, Inc.

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## **Refund Proposal For Carrier Common Line Carry-Forward Issue**

In the its June 1, 1998 order in CC Docket No. 97-250, the Commission required Bell Atlantic to revise its carrier common line charges, effective July 1, 1998, to remove the effect of past under-statements of base factor portion costs. Tariffs Implementing Access Charge Reform, CC Docket No. 97-250, Memorandum Opinion and Order, FCC 98-106 (rel. Jun. 1, 1998), ¶¶ 51, 59-65; *errata* (rel. Jun. 10, 1998) (“Access Charge Reform Tariff Order”) ¶¶ 6, 7. The Commission also required Bell Atlantic to make refunds to carriers for the effect of such under-statements on carrier common line charges during the period of the investigation (from January 1, 1998 to June 30, 1998), plus interest to the date of payment. *Id.*, ¶ 177. The following is Bell Atlantic’s proposal for making the required refunds.

In its 1998 Annual Access Tariff Filings, Bell Atlantic calculated the changes that would have to be made to the carrier common line charges that went into effect on January 1, 1998 to eliminate the effect of past under-statements of base factor portion costs, using the methodology prescribed by the Commission in the Access Charge Reform Tariff Order. *See* Bell Atlantic 1998 Annual Access Tariff Filings, Description and Justification, § 1.6.2.4.1, Appendix E, F. The annual carrier common line revenues would have been \$214,781 lower in the Bell Atlantic-north tariff and \$334,622 higher in the Bell Atlantic-south tariff. *Id.*, Appendix E, Workpaper Recalc CCL 1997, p. 1, line 400; Appendix F, Workpaper CCL Recalc 1997, p. 2, line 400. As instructed by the bureau, Bell Atlantic only adjusted the allowable carrier common line revenues in the Bell Atlantic-north tariff for this change to calculate the maximum carrier common line charge effective July 1, 1998.

Since the rate adjustments ordered by the Commission only affected maximum allowable carrier common line revenues in the Bell Atlantic-north tariff, Bell Atlantic proposes to make refunds only with respect to that tariff. As noted, the annual effect on carrier common line revenues effective January 1, 1998 was \$214,781. This translates into a reduction in the carrier common line charge of \$0.000005 per minute of use (see attached Workpaper CCLREFUND). This reduction in the carrier common line charge also causes a reduction in the Presubscribed Line ("PSL") charge in New York LATA 132, which recovers carrier common line revenues, by \$0.000492 per line (see attached Workpaper PSLREFUND).

These reductions will be used to calculate refunds for customers that paid carrier common line charges and PSL charges during the period January 1, 1998 through June 30, 1998. Bell Atlantic plans to use the following procedure, similar to the method Bell Atlantic used to make refunds as a result of the Commission's 1997 Annual Access Tariff Order, 13 FCC Rcd 3815 (1997).

Step 1. The estimated carrier common line charge reduction (\$0.000005 per minute of use) will be applied to each customer's originating and terminating carrier common line charge billed minutes of use, by bill period, from 1/1/98 to 6/30/98, excluding the carrier common line charge minutes of use associated with multi-line business customers in LATA 132, to which the carrier common line charge does not apply. Also, the PSL reduction (\$0.000492 per line) will be applied to the quantity of presubscribed lines billed to each customer, by bill period, from 1/1/98 to 6/30/98 to estimate the amount overcharged to each customer.

Step 2. The Internal Revenue Service underpayment interest rate, compounded daily, will be applied to each of the amounts calculated in Step 1, to the date that the refund is credited to the customer's account, currently planned for the October bill period. The annual interest rate factor is 8.0% for January through March, 1998, and 7.0% for the remainder of the period.

Step 3. The sum of the amounts from Step 1 (estimated overcharged carrier common line charge) and Step 2 (interest) is the total refund which will be provided to each customers.

Bell Atlantic  
Filing Entity: NXTR

Workpaper CCLREFUND

DEVELOPMENT OF INCREMENTAL CCL REFUND RATE  
(FOR CCL CARRY-FORWARD ISSUE)

1. 12/31/97 Orig and Term CCL Rate (Recalculated rate based on FCC prescribed \$6.48 BFP in MO&O, CC Docket No. 97-149, Released 12/1/97)	\$ 0.005656
2. Revised 12/31/97 Orig and Term CCL Rate (NYNEX Trans. No. 505, Workpaper Recalc CCL 1997, Page 1, Column B, Line 480)	\$ 0.005651
3. Orig and Term CCL Rate Refund (Line 1 - Line 2)	\$ 0.000005

Bell Atlantic  
Filing Entity: NXTR

Workpaper PSLREFUND

PRESUBSCRIBED LINE (PSL) REFUND DEVELOPMENT

1 INCREMENTAL ORIG SINGLE LINE CCL RATE - LATA 132 (WP CCLREFUND, Line 3)	\$ .000005
2. MULTILINE BUSINESS ORIG CCL MOUS LATA 132 (NYNEX Trans. No. 477, WP CL Rate Detail, pg. 1)	3,202,971,607
3. MULTILINE BUSINESS ORIG CCL REFUND (Line 1 * Line 2)	\$16,015
4 INCREMENTAL TERM SINGLE LINE CCL RATE - LATA 132 (WP CCLREFUND, Line 3)	\$ .000005
5. MULTILINE BUSINESS TERM CCL MOUS LATA 132 (NYNEX Trans. No. 477, WP CL Rate Detail, pg. 1)	5,794,139,648
6 MULTILINE BUSINESS TERM CCL REFUND (Line 4 * Line 5 )	\$28,971
7. TOTAL MULTILINE BUSINESS CCL REFUND (Line 3 + Line 6)	\$44,986
8. LATA 132 - PRESUBSCRIBED LINES (Annual) (NYNEX Trans. No. 461, App. F, Workpaper PRESUB, Line 7)	91,329,891
9. PRESUBSCRIBED LINE REFUND (Monthly) (Line 7 / Line 8)	\$ .000492